

**Coloma City-Coloma Charter  
Township Joint Cemetery  
Financial Report  
March 31, 2008**

# Auditing Procedures Report V1.04

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Issued under Public Act 2 of 1968, as amended.

Unit Name	Coloma City Coloma Twp Joint Cemetery	County	BERRIEN	Type	OTHER	MuniCode	
Opinion Date-Use Calendar	Jun 20, 2008	Audit Submitted-Use Calendar	Aug 31, 2008	Fiscal Year-Use Drop List		2008	

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

**Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".**

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/>	18. Are there reported deficiencies?
<input type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 102,768.00
General Fund Expenditure:	\$ 89,124.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 53,749.00
Governmental Activities Long-Term Debt (see instructions):	

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	James	Last Name	Hartwell	Ten Digit License Number	1101016716				
CPA Street Address	206 Court Street	City	St. Joseph	State	MI	Zip Code	49085	Telephone	+1 (269) 983-2212
CPA Firm Name	Hartwell & Company, PC	Unit's Street Address	206 Court Street	City	St. Joseph	LU Zip	49085		

## **Coloma City-Coloma Charter Township Joint Cemetery**

Report Letter	1
Management's Discussion and Analysis	2 - 3
Basic Financial Statements-Government-wide/Governmental Fund	
Governmental Fund Balance Sheet/Statement of Net Assets	4
Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities	5
Budgetary Comparison Schedule-General Fund	6
Notes to Financial Statements	7 - 10

# Hartwell & Company P.C.

CERTIFIED PUBLIC ACCOUNTANTS

"Where our goal is to help you meet yours"

## Independent Auditor's Report

To the Coloma Cemetery Board  
Coloma City-Coloma Charter Township Joint Cemetery  
Coloma, Michigan

We have audited the accompanying basic financial statements of the Coloma City-Coloma Charter Township Joint Cemetery as of and for the year ended March 31, 2008, as listed in the table of contents. These basic financial statements are the responsibility of the Coloma City-Coloma Charter Township Joint Cemetery's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Coloma City-Coloma Charter Township Joint Cemetery as of March 31, 2008 and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis is not a required part of the basic financial statements, but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of managements, regarding methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

*Hartwell & Company, P.C.*

Hartwell & Company, PC  
June 20, 2008

## Coloma City-Coloma Charter Township Joint Cemetery Management Discussion and Analysis

Our discussion and analysis of the Coloma City-Coloma Charter Township Joint Cemetery board's financial performance provides an overview of the Cemetery's financial activities for the fiscal year ended March 31, 2008.

### Financial Highlights

As discussed in further detail in the discussion and analysis, the following represents the most significant financial highlight for the year ended March 31, 2008:

The Cemetery's total net assets increased by \$5,882. A significant increase in charges for services along with a decrease in personnel costs were major contributor's to the net asset increase.

### Using this Annual Report

This annual report consists of a series of financial statements. This statement of net assets and the statement of activities provide information about the activities of the Cemetery as a whole and present a longer-term view of the Cemetery's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year.

The fund financial statements present a short-term view; they tell us how the Cemetery's resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Cemetery's operations in more detail.

### The Cemetery as a Whole

The following table shows, in a comparative, condensed format, the net assets as of March 31, 2008:

<b>Assets - Current assets</b>	<b>\$ 55,049</b>
<b>Liabilities</b>	
Current liabilities	\$ 1,300
Compensated absences	7,730
<b>Total liabilities</b>	<b>\$ 9,030</b>
<b>Net Assets - Unrestricted</b>	<b>\$ 46,019</b>

The following table shows, in a comparative, condensed format, the changes in net assets during the year ended March 31, 2008.

<b>Revenue</b>	
Local unit contributions	\$ 66,120
Charges for services	34,620
Miscellaneous	2,028
<b>Total revenue</b>	<b>\$ 102,768</b>
<b>Expenditures</b>	<b>89,124</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>\$ 13,644</b>

## **Coloma City-Coloma Charter Township Joint Cemetery Management Discussion and Analysis**

### **Cemetery Activities**

The Cemetery expansion project is scheduled to begin in one to two years. No major expenses are anticipated until that time.

### **Fund Budgetary Highlights**

The General Fund pays for the Cemetery's debts.

As shown in the budgetary comparison schedule - General Fund, the Cemetery originally budgeted operational expenditures of \$116,580. During the course of the year, actual revenues were \$102,768 and expenditures were \$89,124. As a result, actual operating results ended up as a surplus of \$13,644. The significant budget to actual differences were a result of the following:

1. Income from burial fees down up by \$14,140.
2. The board budgeted various expenditures, including repairs and maintenance, personnel, and capital outlay expenditures, related to the planned cemetery expansion, that did not occur during the fiscal year.
3. The Cemetery had to pay additional costs to replace the roof of a cemetery building.
4. A budgeted capital improvement reimbursement did not occur because \$20,500 of budgeted capital outlay did not happen.
5. Burial costs were down significantly due to the return of the cemetery employee and discontinuence of having an outside contractor do the burials.

### **Economic Factors and Next Year's Budgets and Rates**

Due to the unforeseen and the inability to estimate the number of burials each year, this amount cannot be estimated with any accuracy. The cemetery board has adopted a conservative budget that retains the current fund balance but also facilitates priorities and quality services.

### **Contacting the Cemetery's Management**

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Cemetery's finances and to show the Cemetery's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the cemetery manager's office.

**Coloma City-Coloma Charter Township Joint Cemetery  
Governmental Fund Balance Sheet/Statement of Net Assets  
March 31, 2008**

	General Fund- Modified Accrual Basis	Adjustments (Note 2)	Statement of Net Assets
<b>Assets - Cash (Note 4)</b>	<u>\$ 55,049</u>	<u>\$ -</u>	<u>\$ 55,049</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 1,300	\$ -	\$ 1,300
Long-term liabilities - Accumulated employee benefits (Note 5)	<u>-</u>	<u>7,730</u>	<u>7,730</u>
Total liabilities	<u>\$ 1,300</u>	<u>\$ 7,730</u>	<u>\$ 9,030</u>
<b>Fund Balance/Net Assets</b>			
Fund balance - Unreserved - Undesignated	<u>53,749</u>	<u>(53,749)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 55,049</u>	<u>\$ (46,019)</u>	<u>\$ 9,030</u>
Net assets - Unrestricted		<u>\$ 46,019</u>	<u>\$ 46,019</u>

The Notes to Financial Statements are an Integral Part of this Statement.

**Coloma City-Coloma Charter Township Joint Cemetery**  
**Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balance/**  
**Statement of Activities**  
**Year Ended March 31, 2008**

	General Fund Modified <u>Accrual Basis</u>	Adjustments (Note 2)	Statement of Activities
<b>Revenue</b>			
Local unit contributions	\$ 66,120	\$ -	\$ 66,120
Charges for services	34,620	-	34,620
Miscellaneous	<u>2,028</u>	<u>-</u>	<u>2,028</u>
Total revenue	<u>\$ 102,768</u>	<u>\$ -</u>	<u>\$ 102,768</u>
<b>Expenditures</b>			
Personnel	\$ 57,657	\$ 590	\$ 58,247
Professional Services	2,000	-	2,000
Burial Expense	215	-	215
Gas and oil	1,293	-	1,293
Supplies	2,866	-	2,866
Utilities	4,000	-	4,000
Repairs and maintenance	7,864	-	7,864
Lawn maintenance	7,351	-	7,351
Board fees	2,915	-	2,915
Insurance	1,570	-	1,570
Miscellaneous	<u>1,393</u>	<u>-</u>	<u>1,393</u>
Total expenditures	<u>\$ 89,124</u>	<u>\$ 590</u>	<u>\$ 89,714</u>
<b>Excess of Revenue Over (Under) Expenditures</b>	<u>\$ 13,644</u>	<u>\$ (590)</u>	<u>\$ 13,054</u>
<b>Fund Balance/Net Assets, Beginning</b>	<u>40,105</u>	<u>(7,140)</u>	<u>32,965</u>
<b>Fund Balance/Net Assets, Ending</b>	<u><u>\$ 53,749</u></u>	<u><u>\$ (7,730)</u></u>	<u><u>\$ 46,019</u></u>

The Notes to Financial Statements are an Integral Part of this Statement.



**Coloma City-Coloma Charter Township Joint Cemetery**  
**Budgetary Comparison Schedule-General Fund**  
**Year Ended March 31, 2008**

	Original and Amended Budget	Actual	Variance With Budget
<b>Revenue</b>			
Local unit contributions	\$ 66,120	\$ 66,120	\$ -
Charges for services	48,760	34,620	(14,140)
Miscellaneous	1,700	2,028	328
	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>\$ 116,580</u>	<u>\$ 102,768</u>	<u>\$ (13,812)</u>
<b>Expenditures</b>			
Personnel	\$ 62,000	\$ 57,657	\$ (4,343)
Professional services	4,200	2,000	(2,200)
Burial Expense	2,000	215	(1,785)
Gas and oil	1,500	1,293	(207)
Supplies	3,400	4,041	641
Utilities	3,580	4,000	420
Repairs and maintenance	11,900	7,864	(4,036)
Lawn maintenance	2,000	7,351	5,351
Capital outlay	20,500	-	(20,500)
Board fees	3,100	2,915	(185)
Insurance	2,200	1,570	(630)
Advertising	100	-	(100)
Miscellaneous	100	218	118
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 116,580</u>	<u>\$ 89,124</u>	<u>\$ (27,456)</u>
<b>Excess of Revenue Over (Under) Expenditures</b>	<u>\$ -</u>	<u>\$ 13,644</u>	<u>\$ 13,644</u>
<b>Fund Balance - April 1, 2007</b>	<u>40,105</u>	<u>40,105</u>	<u>-</u>
<b>Fund Balance - March 31, 2008</b>	<u><u>\$ 40,105</u></u>	<u><u>\$ 53,749</u></u>	<u><u>\$ 13,644</u></u>

The Notes to Financial Statements are an Integral Part of this Statement.

**Coloma City-Coloma Charter Township Joint Cemetery**  
**Notes to Financial Statements**  
**March 31, 2008**

**Note 1 - Nature of Organization and Summary of Significant Accounting Policies**

The Coloma City-Coloma Charter Township Joint Cemetery (the "Cemetery") is located in the City of Coloma, Michigan and is governed by an elected five-member board. The Cemetery is funded primarily through contributions from the City of Coloma and Coloma Charter Township, as well as lot sales and grave opening fees. Revenue is used to operate and staff the Cemetery. The accompanying basic financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. The Cemetery is a joint venture between the City of Coloma and Coloma Charter Township.

The accounting policies of the Cemetery conform to accounting principles generally accepted in the United States of America as applicable to governmental units.

**Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The statement of net assets includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Cemetery's net assets are reported as unrestricted net assets.

**Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Cemetery considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**Financial Statement Amounts**

**Capital Assets** - Capital assets acquired by the Coloma City - Coloma Charter Township Joint Cemetery are the property of the respective governmental units of the Cemetery. These assets are accounted for in the capital assets of each local unit involved based on their proportionate ownership in the Cemetery.

**Long-term Obligations** - In the government-wide financial statements, compensated absences are reported as a liability in the General Fund. In the fund financial statements, compensated absences are not reported.

**Coloma City-Coloma Charter Township Joint Cemetery**  
**Notes to Financial Statements**  
**March 31, 2008**

**Note 1 - Nature of Organization and Summary of Significant Accounting Policies (Continued)**

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Other accounting policies are disclosed in other notes to the financial statements.

**Note 2 - Reconciliation of Government-wide and Fund Financial Statements**

Total fund balances and the net change in fund balances of the Cemetery's governmental fund differ from net assets and changes in net assets of the governmental activities reported in the statement of net assets and statement of activities. This difference results primarily from the long-term economic focus of the statement of net assets and statement of activities versus the economic focus of the statement of the governmental fund balance sheet and statement of revenue, expenditures, and changes in fund balances. The following is a reconciliation of fund balance to net assets and the net change in fund balance to the net change in net assets:

<b>Total Fund Balance - Modified Accrual Basis</b>	<b>\$ 53,749</b>
Amounts reported in the statement of net assets are different because compensated absences are included as a liability	<u>(7,730)</u>
<b>Total Net Assets - Full Accrual Basis</b>	<b><u>\$ 46,019</u></b>
<b>Net Change in Fund Balances - Modified Accrual Basis</b>	<b>\$ 13,644</b>
Amounts reported in the statement of activities are different because an increase in the accrual for long-term compensated absences is reported as an expenditure in the statement of activities, but not in the fund financial statements	<u>(590)</u>
<b>Change in Net Assets of Governmental Activities - Full Accrual Basis</b>	<b><u>\$ 13,054</u></b>

**Coloma City-Coloma Charter Township Joint Cemetery**  
**Notes to Financial Statements**  
**March 31, 2008**

**Note 3 - Budget Information**

The annual budget is prepared by the cemetery treasurer/secretary and adopted by the cemetery board; subsequent amendments are approved by the cemetery board. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America.

The budget has been adopted on a line item basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. The budget as adopted is presented in these financial statements and includes expenditure budget overruns. The budget was not amended during the fiscal year.

**Excess of Expenditures Over Appropriations in Budgeted Funds** - During the year, the Cemetery had no significant budget overruns.

**Note 4 - Deposits and Investments**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1973, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Cemetery has designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bank accounts and CD's, but not the remainder of state statutory authority as listed above. The Cemetery's deposits and investment policies are in accordance with statutory authority.

**Custodial Credit Risk of Bank Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Cemetery's deposits may not be returned to it. The Cemetery does not have a deposit policy for custodial credit risk. At year end, the Cemetery had approximately \$55,049 of bank deposits (checking and savings accounts), all of which was covered by federal depository insurance.

**Coloma City-Coloma Charter Township Joint Cemetery**  
**Notes to Financial Statements**  
**March 31, 2008**

**Note 5 - Long-term Debt**

**Outstanding Debt**

A summary of the debt outstanding of the Cemetery at March 31, 2008 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Compensated absences	<u>\$ 7,140</u>	<u>\$ 4,718</u>	<u>\$ 4,128</u>	<u>\$ 7,730</u>

**Note 6 - Risk Management**

The Cemetery is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers compensation), as well as medical benefits provided to employees. The Cemetery participates in the Michigan Townships Participation Plan for all claims.

The Michigan Townships Participation Plan operates as an insurance purchasing pool for local units of government in Michigan. The Plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.